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IN THE

Supreme Court of the United States

KSR INTERNATIONAL CO.,

Petitioner,

v.

TELEFLEX INC. and
TECHNOLOGY HOLDING CO.,

Respondents.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BRIEF AMICUS CURIAE OF THE FEDERAL CIRCUIT BAR ASSOCIATION IN SUPPORT OF RESPONDENTS

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MISCELLANEOUS

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U.S. Federal Trade Commission, *To Promote Innovation: The Proper Balance Of Competition And Patent Law And Policy* (2003) 8, 16

INTEREST OF THE *AMICUS CURIAE*

The Federal Circuit Bar Association ("FCBA") is a national organization for the bar of the United States Court of Appeals for the Federal Circuit.[1] The FCBA was organized to unite the different groups who practice within the legal community of the Federal Circuit. The FCBA offers a forum for common concerns and dialogue between bar and court, government counsel and private practitioner, litigator, and corporate counsel. The members come from all areas of practice and represent all types of litigants, large and small, corporate and private.

The FCBA has an interest in an objective and consistent application of the statutory obviousness standard. The FCBA is concerned that the relief sought by Petitioner would render the obviousness analysis more subjective and uncertain, to the detriment of the United States patent system and, potentially, the economy.

SUMMARY OF ARGUMENT

The obviousness analysis is inherently difficult. The statute requires that obviousness be determined "at the time the invention was made," but the decision-maker is asked to determine obviousness after the invention has been made and with full knowledge of the invention. The hypothetical person having ordinary skill in the art is confronted with the same

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1. The parties to this proceeding have filed with the Clerk of the Court blanket consents to all *amicus curiae* briefs. Pursuant to Rule 37.6, *amicus curiae* states that no counsel for a party authored this brief in whole or in part, and no person other than the *amicus curiae*, its members, or its counsel made a monetary contribution to the preparation or submission of this brief.

problem as was the inventor, and does not know the inventor's solution "at the time the invention was made" – but the decision-maker does. A problem always looks easier once one knows the answer. It is difficult, if not impossible, for a decision-maker to divorce him/herself of knowledge of the invention when deciding whether it would have been obvious. This inherent conflict is known as the "hindsight" problem.

This Court has recognized the seriousness of the hindsight problem for the past 100 years. More recently, two independent studies of patent policy, by the Federal Trade Commission and the National Academies of Sciences, recognized the significance of the hindsight problem, and the need to address it.

The statutory requirement to determine obviousness "at the time the invention was made" forbids the use of hindsight but that does not solve the problem. Likewise, case law telling the decision-maker not to use hindsight does not and cannot eliminate the invention from the decision-maker's mind. To be objective, consistent, and reliable, the obviousness analysis needs a systematic restraint on the use of hindsight, as required by the statute. The Federal Circuit's teaching, suggestion or motivation test provides appropriate and necessary restraint on the improper use of hindsight.

The teaching-suggestion-motivation test is consistent with the statutory standard and with this Court's precedent. The teaching-suggestion-motivation test complements the three part *Graham* test, and reinforces the "uniformity and definiteness" sought in *Graham*. Finally, the criticisms of the teaching-suggestion-motivation test raised by the Petitioner and *amici* are not valid.

For these reasons, the FCBA advocates retaining the teaching-suggestion-motivation test.

ARGUMENT

I. THE STANDARD FOR PATENTABILITY OF A NEW AND USEFUL INVENTION IS STATUTORY

The standard for patentability of a new and useful[2] invention is statutory:

> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been *obvious at the time the invention was made to a person having ordinary skill in the art* to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

35 U.S.C. § 103(a) (emphasis added).

By the statutory standard, patentable inventions would not have been *obvious* to a person of *ordinary* skill. The United States argues that an invention is patentable only if it is "beyond what a person of ordinary skill . . . could have achieved," *i.e.*, "required *extraordinary* skill." (Brief for United States, pp. 15, 24 (emphasis in original)). The FCBA

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2. In addition to the non-obvious requirement at issue on this appeal, a patentable invention must be new (35 U.S.C. § 102) and useful (35 U.S.C. § 101).

submits that this position is incorrect because it is inconsistent with the statute, which expressly allows for invention by persons of ordinary skill or less. In addition, the United States wrongly focuses on the skill of the actual inventor, which is irrelevant. The statutory question is whether the invention, regardless of who made it, would have been obvious, at the time the invention was made, to a hypothetical person of ordinary skill in the art.[3]

This Court is well aware of the "difficulties in applying the nonobviousness test." *Graham*, 383 U.S. at 18. To facilitate "uniformity and definiteness," this Court articulated the three now well-known "basic factual inquiries" underlying the obviousness analysis and stated: "We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act." *Id.*

The standard for patentability is statutory and is not at issue in this appeal.[4] The issue is whether the teaching-suggestion-motivation test, in conjunction with *Graham*'s three "basic factual inquiries," properly implements the statutory standard of "obvious at the time the invention was made to a person having ordinary skill in the art," and promotes the "uniformity and definiteness" this Court sought in *Graham*.

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3. In this regard, the statute expressly states that "patent-ability should not be negatived by the manner in which the invention was made." 35 U.S.C. § 103(a); *see also*, *Graham v. John Deere*, 383 U.S. 1, 15 (1966) ("It also seems apparent that Congress intended by the last sentence of § 103 to abolish the test it believed this Court announced in the controversial phrase 'flash of creative genius,'. . .").

4. Some *amici* argue that the standard for patentability is too low, and this Court needs to raise it. Because the standard is statutory, there is no issue of whether it should be raised or lowered.

II. THE OBVIOUSNESS ANALYSIS SHOULD INCLUDE A SYSTEMATIC RESTRAINT ON THE USE OF HINDSIGHT KNOWLEDGE OF THE INVENTION

A. The Statutory Standard, "Obvious At The Time The Invention Was Made To A Person Having Ordinary Skill In The Art," Inherently Raises A Hindsight Issue

In deciding what would have been obvious, the decision-maker inevitably confronts the "hindsight" problem. The decision-maker must assess obviousness "at the time the invention was made," *i.e.*, before anyone knew the invention. Yet, the decision-maker knows the invention. The decision-maker must put him/herself into the shoes of a hypothetical person of ordinary skill, knowing the relevant prior art and the problem that the real inventor faced but not the inventor's solution. The decision-maker must analyze whether that solution would have been obvious to the hypothetical person of ordinary skill who did not know what the decision-maker *does* know. The solution to virtually any problem seems easier, more "obvious," if the answer is known. Every invention necessarily looks at least somewhat less inventive, in hindsight, than it did before the invention was made.

This Court has long recognized the "hindsight" problem:

> Many things, and the patent law abounds in illustrations, seem obvious after they have been done, and, "in the light of the accomplished result," it is often a matter of wonder how they so long "eluded the search of the discoverer and set at defiance the speculations of inventive genius."

> *Pearl v. Ocean Mills*, 2 Bann. & Ard. 469, Fed. Cas. No. 10,876, 11 Off. Gaz. 2. Knowledge after the event is always easy, and problems once solved present no difficulties, indeed, may be represented as never having had any, and expert witnesses may be brought forward to show that the new thing which seemed to have eluded the search of the world was always ready at hand and easy to be seen by a merely skillful attention.

Diamond Rubber Co. v. Consolidated Rubber Tire Co., 220 U.S. 428, 434-35 (1911).

The seriousness of this problem is undisputed. Indeed, the Federal Circuit's quote of Milton's *Paradise Lost*, from 1667, is appropriate:

> The invention all admired, and each how he
> To be the inventor missed; so easy it seemed,
> Once found, which yet unfound most would have thought,
> Impossible !
>
> PARADISE LOST, Part VI, L. 478-501.

Gillette Co. v. S.C. Johnson & Son, Inc., 919 F.2d 720, 726 (Fed. Cir. 1990).

B. A Systematic Restraint On The Use Of Hindsight Is A Necessary Part Of The Obviousness Analysis

Preventing use of hindsight in an obviousness analysis is of paramount importance to the patent system. Two recent policy studies independently recognized the importance of systematically containing the hindsight problem. First, in 2003, the Federal Trade Commission stated:

> The Federal Circuit has repeatedly sought to protect inventors from findings of obviousness based purely on hindsight. "Good ideas may well appear 'obvious' after they have been disclosed, despite having been previously unrecognized." As Judge Newman of the Federal Circuit noted at the Hearings, many patents are attacked on grounds of obviousness. "It's fuzzy ground. It's hard to decide, difficult to administer, even harder to set." Thus, Federal Circuit "case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." Otherwise, the Federal Circuit has said, "[c]ombining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability – the essence of hindsight." In addition, the Federal Circuit's application of the suggestion test arguably has the virtue of certainty and predictability, and it helps to ensure fulfillment of the PTO's "obligation to

> develop an evidentiary basis for its findings." One can readily see the validity of the Federal Circuit's concerns.

U.S. Federal Trade Commission, *To Promote Innovation: The Proper Balance Of Competition And Patent Law And Policy* (2003) (hereinafter "FTC Report"), Ch. 4, p. 12 (footnotes and citations omitted).

Second, in 2004, the National Research Council of the National Academies stated:

> Every invention at some level is a combination of old elements. Again, experience has shown that truly non-obvious inventions will be denied patent protection unless the decision maker guards against the use of hindsight.

National Research Council of the National Academies, *A Patent System for the 21st Century*, p. 89 (Stephen A. Merrill et. al. eds. 2004) (hereinafter, "National Academies Report") http://www.nap.edu/html/patentsystem/0309089107.pdf (citing *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988)).

Without a *systematic* restriction on improper use of hindsight, the obviousness question devolves to a highly subjective analysis. Although one can say that he or she is not using hindsight knowledge of the invention, the realities of the obviousness analysis make it nearly impossible for a decision-maker to do so. The invention is the centerpiece of any obviousness analysis. Whether at the U.S. Patent and Trademark Office or in district court, it is impossible for the decision-maker to ignore all knowledge of the invention, go back to "the time the invention was made" and then address

whether the invention would have been obvious at that time without considering the invention itself.

Similarly, a decision-maker cannot simply erase the psychological fact that things seem more obvious, in hindsight. The Federal Circuit has recognized that this phenomenon is especially true in the case of simple technology. *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351 (Fed. Cir. 2001) ("When the art in question is relatively simple, as is the case here, the opportunity to judge by hindsight is particularly tempting.").

C. Section 103 Prohibits Hindsight, But The *Graham* Test Does Not Specifically Address It

As shown in the table below, *Graham's* three "basic factual inquiries" draw from the statutory language. *Graham's* three-part test is silent, however, on the "at the time the invention was made" requirement of Section 103. Indeed as shown below, it is the only concept in Section 103 *not* expressly addressed in the *Graham* test. 383 U.S. at 17.

Section 103(a)	*Graham* Test
"(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if [2] the differences between the subject matter sought to be patented and [1] the prior art are such that the subject matter as a whole would have been obvious [4] *at the time the invention was made* to [3] a person having ordinary skill in the art to which said subject matter pertains."	"[T]he § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, [1] the scope and content of the prior art are to be determined; [2] differences between the prior art and the claims at issue are to be ascertained; and [3] the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or non-obviousness of the subject matter is determined." 383 U.S. at 17.

The purpose of the "at the time the invention was made" statutory requirement is to prevent use of hindsight knowledge of the invention to re-create the invention from the prior art. *In re Kahn*, 441 F.3d 977, 986 (Fed. Cir. 2006) (*citing and quoting* Giles S. Rich, *Laying The Ghost of the Invention Requirement*, 1 APLA Q.J. 26-45 (1972), *reprinted in* 14 Fed. Cir. B.J. 163, 170 (2004) ("To protect the invention from hindsight reasoning, the time is specified to be *the time when the invention was made*")(emphasis in original)); *In re Dembiczak*, 175 F.3d 994, 998-99 (Fed. Cir. 1999) *abrogated on other grounds, In re Gartside*, 203 F.3d 1305, 1316 (Fed. Cir. 2000); *In re Deminski*, 796 F.2d 436, 443 (Fed. Cir. 1986).

Although *Graham* mentions that secondary considerations may help "guard against" the improper use of hindsight, 383 U.S. at 36, the 3-factor *Graham test* does not itself systematically prevent use of hindsight. If unchecked, the use of hindsight can undercut the "uniformity and definiteness," 383 U.S. at 18, sought in *Graham*.

III. THE FEDERAL CIRCUIT'S TEACHING-SUGGESTION-MOTIVATION TEST PROVIDES A SYSTEMATIC RESTRAINT ON THE IMPROPER USE OF HINDSIGHT THAT IS CONSISTENT WITH THE STATUTE, PRECEDENT, AND GOOD POLICY

A. The Federal Circuit Uses The Teaching-Suggestion-Motivation Test As A Systematic Restraint On The Improper Use Of Hindsight In An Obviousness Analysis

The Federal Circuit has heeded the statutory prohibition of, and this Court's caution against, the improper use of hindsight. The Federal Circuit has addressed the hindsight problem by requiring evidence of a teaching, suggestion or motivation to combine prior art references and/or create the patented invention. As stated by the Federal Circuit:

> Our case law makes clear that the best defense against hindsight-based obviousness analysis is the rigorous application of the requirement for a showing of a teaching or motivation to combine the prior art references. *See Dembiczak*, 175 F.3d at 999, 50 USPQ2d at 1617. "Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes

> the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability – the essence of hindsight." *Id.*

Ecolochem, Inc. v. Southern Calif. Edison Co., 227 F.3d 1361, 1371-72 (Fed. Cir. 2000); *see also, e.g., McGinley*, 262 F.3d at 1351.

The Federal Circuit has repeatedly emphasized that the teaching, suggestion or motivation need not be express. *See, e.g., Dystar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 2006 WL 2806466, *11-12 (Fed. Cir. 2006); *Kahn*, 441 F.3d at 987-88; *Motorola, Inc. v. Interdigital Technology Corp.*, 121 F.3d 1461, 1472 (Fed. Cir. 1997); *In re Nilssen*, 851 F.2d 1401, 1403 (Fed. Cir. 1988). Indeed the very first Federal Circuit case addressing the topic made that point: "whether a combination of the teachings of all or any of the references would have suggested *(expressly or by implication)* the possibility of achieving further improvement by combining such teachings along the line of the invention in suit." *In re Sernaker*, 702 F.2d 989, 994 (Fed. Cir. 1983) (emphasis added). The teaching, suggestion or motivation can arise from the level of skill in the art, *Motorola*, 121 F.3d at 1472; *In re Jones*, 958 F.2d 347, 351 (Fed. Cir. 1992), or even the nature of the problem addressed *Kahn*, 441 F.3d at 988; *Cross Med. Prods. Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1323 (Fed. Cir. 2005).

B. The Teaching-Suggestion-Motivation Test Is Consistent With The Statute

The teaching-suggestion-motivation test is consistent with the statute. First, and foremost, it implements the "at the time the invention was made" requirement.

Second, the teaching-suggestion-motivation test is consistent with the "obvious . . . to a person having ordinary skill in the art" standard. When an invention is *obvious* to a person of *ordinary* skill, there will almost certainly be evidence of a teaching, suggestion or motivation to create the invention – remembering that the evidence may be implied and/or take a variety of forms.

In short, by requiring evidence of a teaching, suggestion or motivation, the Federal Circuit is merely requiring some *objective evidence*, rather than the mere *subjective conclusion* advocated by the Petitioner, that the statutory standard is met.

The Federal Circuit has many times found a teaching suggestion or motivation that supports obviousness under the *Graham* test. *See, e.g.*, *Dystar*, 2006 WL 2806466, *13-14; *Alza Corp. v. Mylan Labs, Inc.*, 2006 WL 2556356, *8 (Fed. Cir. 2006); *Ormoco Corp. v. Align Technology, Inc.*, 2006 WL 2493245, *7 (Fed. Cir. 2006); *Kahn*, 441 F.3d at 989-90 (Fed. Cir. 2006); *SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp.*, 225 F.3d 1349, 1359 (Fed. Cir. 2000); *Richardson-Vicks, Inc. v. Upjohn Co.*, 122 F.3d 1476, 1484 (Fed. Cir. 1997); *Motorola*, 121 F.3d at 1472; *Para-Ordnance Mfg., Inc. v. SGS Importers, Int'l, Inc.*, 73 F.3d 1085, 1090 (Fed. Cir. 1995); *Ryco, Inc. v. Ag-Bag Corp.*, 857 F.2d 1418, 1425 (Fed. Cir. 1988). The Federal Circuit has also used the test to preserve patentability of inventions that seem obvious only in hindsight. *Yamanouchi Pharm. Co. v. Danbury Pharmacal, Inc.*, 231 F.3d 1339, 1345 (Fed. Cir. 2000); *Ecolochem*, 227 F.3d at 1372; *ATD Corp. v. Lydall Inc.*, 159 F.3d 534, 546 (Fed. Cir. 1998); *Gillette*, 919 F.2d at 725-26.

C. The Teaching-Suggestion-Motivation Test Is Consistent With This Court's Precedent

The teaching-suggestion-motivation test is consistent with the precedent of this Court. The test is consistent with *Graham*, because the *Graham* 3-part test does not address the "at the time the invention was made" aspect of the statute and the teaching-suggestion-motivation test fills that role. Further, the teaching-suggestion-motivation test reinforces the "uniformity and definiteness" sought in *Graham*. 383 U.S. at 18.

The test has a long history, pre-dating *Graham*. Before the creation of the Federal Circuit, the requirement of a teaching, suggestion or motivation (then generally referred to as a "suggestion") was well established in its predecessor court, the Court of Customs and Patent Appeals ("CCPA"). *Sernaker*, 702 F.2d at 994 (citing many CCPA cases); *see also In re Sponnoble*, 405 F.2d 578, 585 (CCPA 1969); *In re Leonor*, 395 F.2d 801, 802 (CCPA 1968); *In re Bergel*, 292 F.2d 955, 956-57 (CCPA 1961); *In re Shaffer*, 229 F.2d 476, 479 (CCPA 1956); *In re Fridolph*, 134 F.2d 414, 416 (CCPA 1943). Despite the existence of this CCPA precedent, the *Graham* Court did not disturb the then-extant "suggestion" law. On the contrary, the Court stated that the *Graham* analysis was consistent with prior patentability precedent. 383 U.S. at 17.

The Petitioner argues that the teaching-suggestion-motivation test is inconsistent with this Court's *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976) and *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57 (1969) decisions. The teaching-suggestion-motivation test is not inconsistent with these cases because they did not address the hindsight

prohibition to which the teaching-suggestion-motivation test is directed. *Sakraida* and *Anderson's-Black Rock* certainly did not and could not overturn the statutory requirement that the obviousness analysis be conducted "at the time the invention was made."

Additionally, *Sakraida* and *Anderson's-Black Rock* both applied the *Graham* test, *Sakraida*, 425 U.S. at 280, *Anderson's-Black Rock*, 396 U.S. at 62, which shows the Court did not create a separate test for so-called "combination" patents. *Graham* itself involved a "combination" invention, 383 U.S. at 4 ("The invention, a combination of old mechanical elements . . ."), and certainly does not indicate that it was creating a special test for "combination" inventions. Indeed, the Federal Circuit was correct in reasoning that it is unproductive to label inventions "combination" inventions, because nearly all inventions are combinations of old things. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1540 (Fed. Cir. 1983). As the Federal Circuit appropriately stated: "Only God works from nothing. Men must work from old elements." *Fromson v. Advance Offset Plate, Inc.* 755 F.2d 1549, 1556 (Fed. Cir. 1985) (*quoting* Markey, *Why Not The Statute*, 65 JPOS 331 (1983)); *see also*, National Academies Report, p. 89 ("Every invention at some level is a combination of old elements.").

D. The Teaching-Suggestion-Motivation Test Is Consistent With Good Policy Because It Restrains Improper Hindsight

The teaching-suggestion-motivation test is also consistent with good public policy. As mentioned above, this Court recognized the hindsight problem long ago. *Diamond*, 220 U.S. at 434-35. More recently, both the Federal Trade

Commission and the National Academies concluded that the patent system must restrain use of hindsight in obviousness decisions, and that the teaching-suggestion-motivation test fills that role. (FTC Report, Ch. 4, p. 12; National Academies Report, p. 89.) While the FTC Report challenged the consistency of some applications of the teaching-suggestion-motivation test, the FTC did not call for abolishing the test, and was positive regarding the Federal Circuit's then "most recent articulations" of this test. (FTC Report, Executive Summary, p. 12.) Similarly, the National Academies called into question only analyses of certain types of patents. (National Academies Report, pp. 87-95, addressing "business method inventions" and "gene sequence-related inventions.")

E. Abolishing The Teaching-Suggestion-Motivation Test Will Not Solve The Problems Raised By The Petitioner And *Amici*, And Will Create Larger Problems By Unleashing Hindsight

Finally, many of the problems raised by some *amici* have no relation to the teaching-suggestion-motivation test. Overload at the PTO could be cured with amendments to PTO rules. Purported problems stemming from so-called "business method" patents could be addressed by addressing "business method" patents. Both are issues that Congress has and will likely continue to address.

Disrupting the entire patent system, by overturning well-established decisional law, and potentially injecting hindsight into every obviousness analysis is, at best, overkill. In fact, it is far worse. It potentially subjects every invention to an improper hindsight analysis. The FCBA submits that the risk of non-obvious inventions being invalidated because of hindsight, without the teaching-suggestion-motivation test,

is far greater than the risk of obvious inventions being patented because of the test. Intensive public scrutiny of the latter concern reflects that it is not substantial. The former, however, could threaten the predictability of the patent system.

Finally, briefs suggesting the teaching-suggestion-motivation test should be abolished because the standard for patentability is too low are addressed to the wrong forum. Congress has established the standard for patentability. The question is whether the teaching-suggestion-motivation test, in conjunction with the *Graham* 3-factor test, implements the statutory standard for patentability. The FCBA submits that it does.

CONCLUSION

Section 103 expressly precludes the use of hindsight in assessing obviousness, yet it is the only element of Section 103 that is not expressly addressed in the three-factor *Graham* test. The Federal Circuit has adopted the teaching-suggestion-motivation test to implement the statutory prohibition against hindsight, and that test is consistent with the statute, precedent and good policy. If unchecked, the use of hindsight in obviousness analyses will create a highly subjective test and result in many non-obvious inventions improperly being found unpatentable. The FCBA respectfully requests that this Court retain the teaching-suggestion-motivation test to effect the statutory prohibition against the use of hindsight in assessing obviousness.

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